

(LETTERHEAD OF LOCAL SPONSOR)

(CURRENT DATE)

Ms. Sharon Bond
Chief, Planning Branch
U.S. Army Engineer District, Louisville
P.O. Box 59
Louisville, Kentucky 40201-0059

Dear Ms. Bond:

The (City of _____, Town of _____, County of _____, Department of _____) designated hereafter as the "sponsor" is interested in obtaining Corps of Engineers assistance in addressing water resources problems and opportunities for **(name of stream or watershed)**.

We are aware of the following procedures and cost-sharing requirements associated with studying and developing potential water resources projects in partnership with the Corps of Engineers.

a. The Corps will conduct an initial study (reconnaissance) which is 100% Corps funded and requires 12 months for completion;

b. If a second study phase (feasibility study) is warranted, required and agreed upon by the Corps and the sponsor it is conducted and managed by the Corps and cost shared with the sponsor on a 50/50 basis under a study cost sharing contract; (up to one-half of the sponsor share can be in the form of in-kind services); the length of this study phase varies from 24 months to 36 months;

c. If the feasibility study results in a recommendation for authorization of a Corps project, preparation of detailed designs and plans and specifications are undertaken. This phase is called Preconstruction Engineering and Design (PED), lasts 12-24 months depending on the complexity of the project features and is cost shared up-front at the same percentage as construction. Near the end of this design phase, the Corps and sponsor execute a Project Cooperation Agreement that commits both to proceeding with construction;

d. Under current law, cost sharing for construction of a project varies by the type of project. Regardless of type, the sponsor furnishes all lands, easements, rights of way, relocations and disposal areas (LERRDs). For flood damage reduction projects the sponsor furnishes LERRDs plus a minimum 5% cash share of the total project costs including LERRDs. The sponsor is credited for the market value of LERRDs and that credit plus 5% must equal at least 35% of the total project costs or additional cash is required so that a minimum 35% share is reached. In the event that LERRDs plus the 5% exceed 50% of the total project costs, the sponsor's share is capped at 50% maximum. Therefore the sponsor share varies between 35% and 50% depending on the extent of LERRIDs required for the project. For nonstructural flood damage reduction projects the sponsor share is 25%.

If LERRDs exceed 25% the sponsor is reimbursed, if LERRDs do not exceed 25% cash is required. For environmental restoration project features the sponsor share is 35%;

e. The sponsor is responsible for operation, maintenance, rehabilitation and replacement of project features and for implementation of floodplain management measures;

We understand that the Corps will undertake the first phase of the study when funds are appropriated by the Congress and allocated to the district by the Administration.

We are aware that this letter constitutes an expression of intent and not a contractual obligation and that the sponsor or the Corps may opt to discontinue the project development process at each stage as described above before entering into agreement to construct the project.

If you need additional information, please contact: (designee) at (telephone number).

(Signed by Mayor, Chairman of Commission, Agency, or Board)

cc: Louisville District Corps of Engineers
ATTN: Ms. Amy K. Sharp; PM-P (Outreach Coordinator)
P.O. Box 59
Louisville, Kentucky 40201-0059